

**Statement of PPL Montana
Before the Natural Resources Committee
Of the Montana House of Representatives
In Opposition to House Bill No. 753
March 9, 2007**

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Mr. Chairman and members of the Committee:

I'm Mark Lambrecht, Manager of Regulatory Affairs for PPL Montana—part-owner and operator of the Colstrip Steam Electric Station and owner/operator of the J.E. Corette Steam Electric Station in Billings and eleven hydroelectric facilities in Montana.

House Bill 753 would apply California's climate change program to Montana. There are several fundamental reasons why this should not happen.

First, this program is unnecessary. Last week, Governor Schweitzer addressed the Montana Climate Change Advisory Committee, of which I am a member, and said, "Montana's global carbon dioxide contribution is squat." California is the fifth largest economy in the world. Its economy and carbon footprint are considerably larger than Montana's. California is a huge contributor of greenhouse gas emissions – particularly from its transportation sector. It is inappropriate to apply a plan designed for California to Montana.

Second, climate change should be addressed on a national and international basis. Governor Schweitzer shares this view. He stated, both to the Climate Change Committee and the U.S. Senate Finance Committee that climate change requires a national program, including a nationwide cap and trade system. Senate President Cooney shares this view as well. His joint resolution urging Congress to act on this issue was recently passed by the Montana Senate.

There is a role for state action on climate change. Montana can demonstrate leadership by providing incentives for renewable energy, conservation, carbon capture and sequestration. The Climate Change Advisory Committee and Montana Legislature have already advanced proposals to take advantage of these opportunities.

Third, this bill directs the Department of Environmental Quality and Board of Environmental Review to develop a greenhouse gas reduction plan. The Montana Climate Change Advisory Committee has been working on such a strategy for nearly a year now and will submit its findings to the Governor this summer. Requiring DEQ and the BER to duplicate the work of the Governor's own Committee is redundant and unnecessary.

Fourth, the technology to capture and sequester carbon dioxide emissions from existing pulverized coal-fired power plants does not exist and is years away from commercial availability. My company is a partner in FutureGen—a Department of Energy project to develop the world's first zero emissions coal power plant. We are also members of the Big Sky Carbon Sequestration Partnership at Montana State University, which is researching opportunities to effectively and safely sequester CO₂ in geologic reservoirs. We believe these programs have merit and will provide benefits, but there is much work to do before emission reductions are realized.

PPL Montana supports legislation to provide incentives to develop CO₂ capture and sequestration technologies. Legislation with incentives to develop the appropriate technologies will help Montana's coal resources remain a vital component of a reliable and secure energy future for the country. Overly stringent legislation from California will do nothing to advance the technologies necessary to address climate change and serve only to place Montana's electrical generating facilities and economy at a competitive disadvantage.

Please give this legislation a "do not pass" recommendation.

Thank you for the opportunity to comment.